
Economic Analysis of Minimizing Environmental Cost Caused by Outdoor Advertising



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ΠΑΝΕΠΙΣΤΗΜΙΟ
ΠΕΛΟΠΟΝΝΗΣΟΥ

The optimal consent ratio C_{opt}

- The optimal consent ratio C_{opt}
- of pollutant advertising
- in the environment can be determined as an equilibrium point in the trade off between the environmental cost
- due to impact on man / land / economy
- and the economic cost for environmental protection

Key – words

- environmental cost
- optimization
- advertising
- land

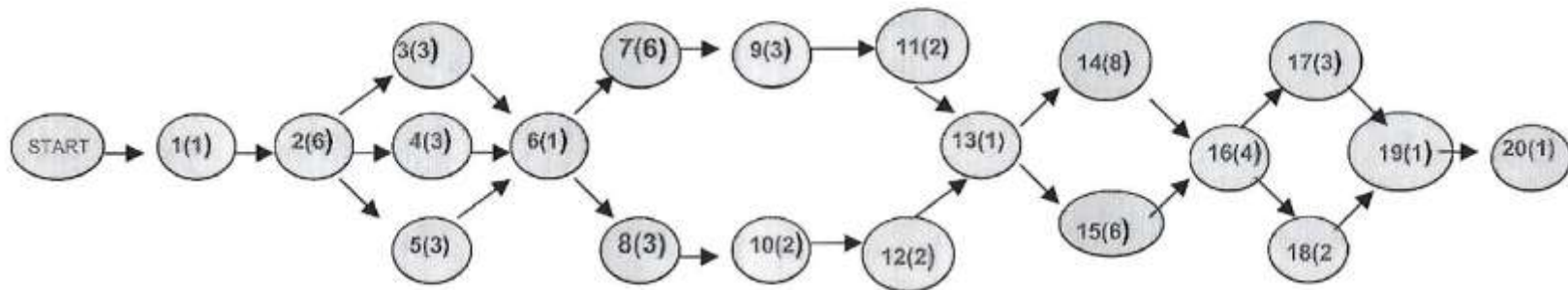
The environmental cost of outdoor advertising

- The economic analysis of the environmental cost of outdoor advertising in real estate involves matching the environmental to the **socio - economic benefit**
- By analogy, economic analysis of the principle / consensus '*think locally, act globally*' and the (now known on a theoretical and practical basis) inverse '*think globally, act locally*'.

Methodology

- The analysis of the subject may include qualitative and quantitative characteristics.
- The effort to minimize the environmental costs invoked by outdoor advertising is graphically represented by the **CPM method**.

CPM



Results – Discussion

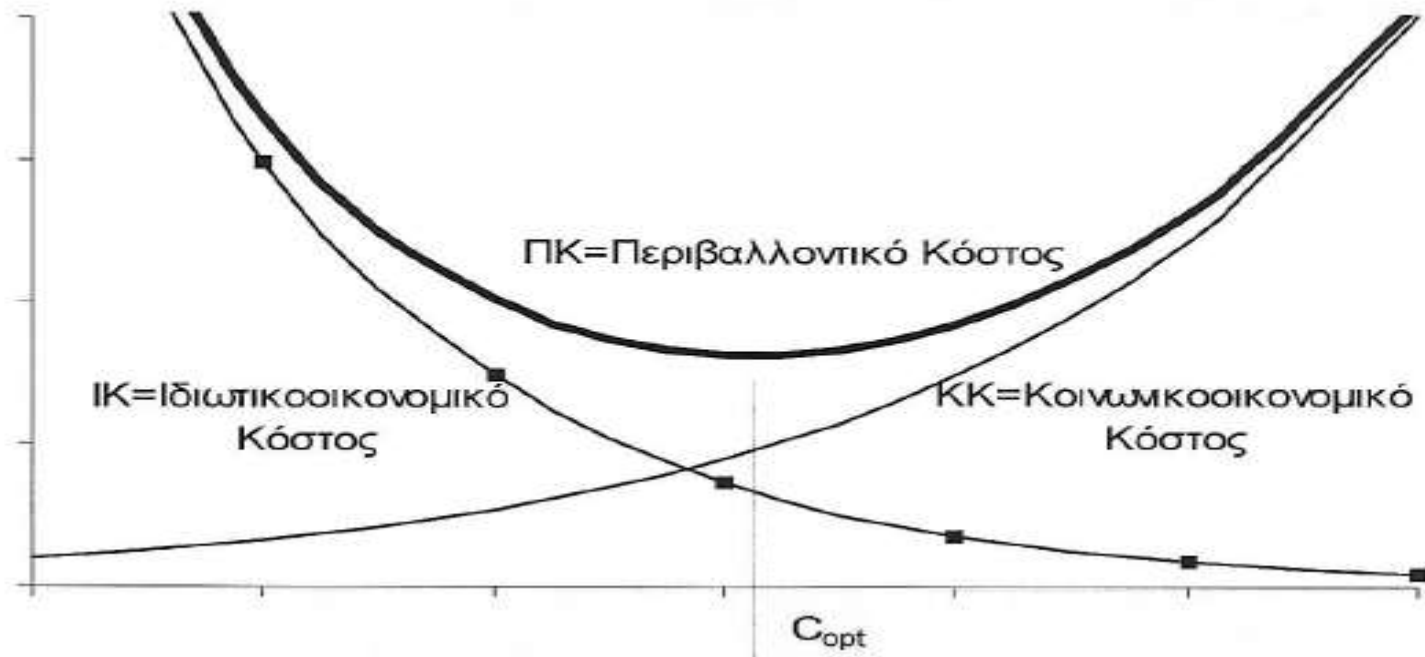
- The minimization of environmental costs can be used as a criterion for determining the optimal value of concentration C of a pollutant in the environment
- that is to say, a property hosting outdoor advertising
- In the most common case, where socio-economic costs (KK) and private economic costs (IK) are conflicting variables
- the environmental cost (ΠK)
- which is the sum of these variables
- presents a single internal minimum if KK and IK , functions of C , are continuous and monotonous

Results – Discussion

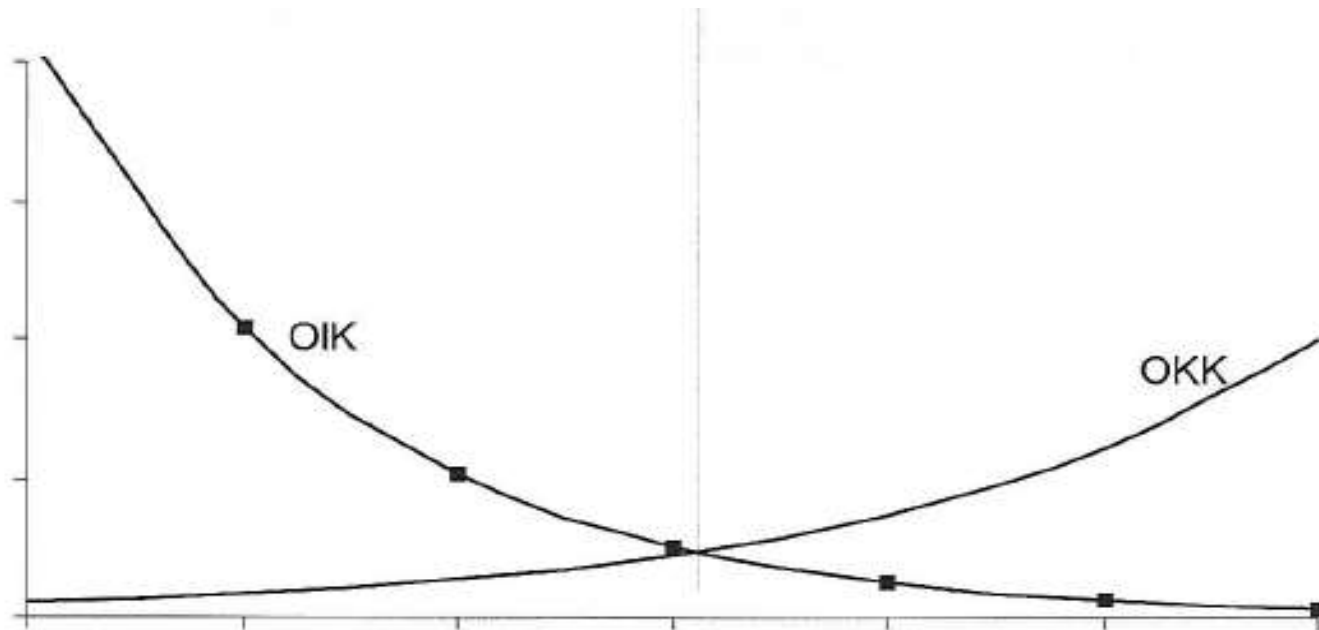
- If the marginal socio-economic cost (OKK) curves and marginal private economic cost (OIK) curves are used,
- the optimal C_{opt} value is easily determined from the point of intersection of the marginal cost curves.



The curves of cost



The curves of marginal cost



Results – Discussion

- Reducing the size of advertising may cause a shift in the cost of private finance with modern economies of scale,
- a reduction in the cost of privatization with the adoption of anti-pollution technology,
- a change in the socio-economic cost curve according to the perceptions of an environmentalist whose basic view is
- **" the environment after all else, and a change in the socio-economic cost curve, according to the perceptions of a 'developmentist', whose basic view is first of all, after everything else. "**

Conclusion

- In conclusion, the functionality of the methodological framework, it is developed under the form of a logical flow chart for optimizing parameter values and independent variables has been proved by using the tradeoffs between societal / environmental and private / techno economic cost and system reliability and design / construction cost.

Conclusion

- It is worthwhile noting that both tradeoffs,
- the first based on cost minimization and the second based on benefit maximization,
- represent interdisciplinary objective functions, since their parameters belong to the domains of Technology, Economics and Environmental Science (which is, in its turn, a multidisciplinary field).

□ *Thank you for your attention!*